



# Municipal Reserves

## 2020 MGA Review

### OVERVIEW

Outdated policies in the MGA allow municipalities to take additional land or cash from private sector developers based on the density of a project. Municipalities currently mandate densities and therefore can mandate every project exceed current triggers in the MGA thereby guaranteeing additional land or cash be provided to them at no additional cost. This cost is ultimately borne by the eventual home buyer through increased housing costs.

Increasing numbers of municipalities are also exploring opportunities to use Municipal Reserve (MR) land for purposes beyond parks / open space. Under current legislation, no public hearing is mandated, leaving residents of these neighborhoods with no voice in the process.

### RECOMMENDATIONS (IN-SCOPE)

BILD Alberta supports undertaking the Option 1 outlined in the Discussion Guide, including:

**1) *Repeal the additional 5% density MSR provisions.***

**BILD Alberta Commentary:**

When this policy was introduced it was believed that a municipality would get that land as a 'bonus' for allowing additional density to developers. Since 1995, new communities have changed dramatically, and developments are now required by municipalities to have upwards of 40 units / hectare. This often prevents developers and builders from providing the housing products that are in most demand. Additional density is no longer a privilege but both a requirement and occasionally a hindrance on business.

Density should be determined by market demand but is now being dictated by local governments and regional boards. Developers and builders have learned to manage under these conditions but allowing municipalities the ability to take an additional 5% of land (or cash equivalent) at no cost when they mandate the density is not reasonable. There have also been instances where municipalities take cash-in-lieu. We anticipate increasing occurrences of municipalities using this tool as a revenue generating tool as they grapple with budget challenges.

The Provincial Government should be challenging municipalities to make more effective use of the MR they are being provided (in partnership with school boards) rather than to increase development and housing costs by taking more land just because they have now mandated minimum densities.

**2) *Review and refocus the scope of allowable uses on Municipal, School and Community Services Reserves land.***

**3) *Increase transparency regarding disposal of municipal and school reserve lands.***

**BILD Alberta Commentary:**

Addressing transparency and the allowable uses can be achieved by requiring any alternative use under Subsection 671(2.1) of the MGA to be subject to a public hearing. This

simple change ensures that impacted residents of neighbourhoods have their voice heard if a municipality is contemplating a use that is different than what had originally been planned.

## **RECOMMENDATIONS (CURRENTLY DEEMED OUT-OF-SCOPE)**

Discussions surrounding the dedication and use of School Reserves has been considered out-of-scope both in the past and current MGA Reviews. There continues to be a need for dialogue between the province, industry, municipalities, and school boards on this topic. The current lack of coordination between parties and an abundance of authority provided to school boards in the taking / use of land continues to lead to inefficient land use and surplus school sites.